

79 0060 3 Res. no. 77-2

RESOLUTION NO. 77-2

Ward
Authorizing the Issuance of

\$2,170,000

**SOLANO COUNTY LIBRARY AUTHORITY
1977 REFUNDING REVENUE BONDS**

Adopted: August 24, 1977

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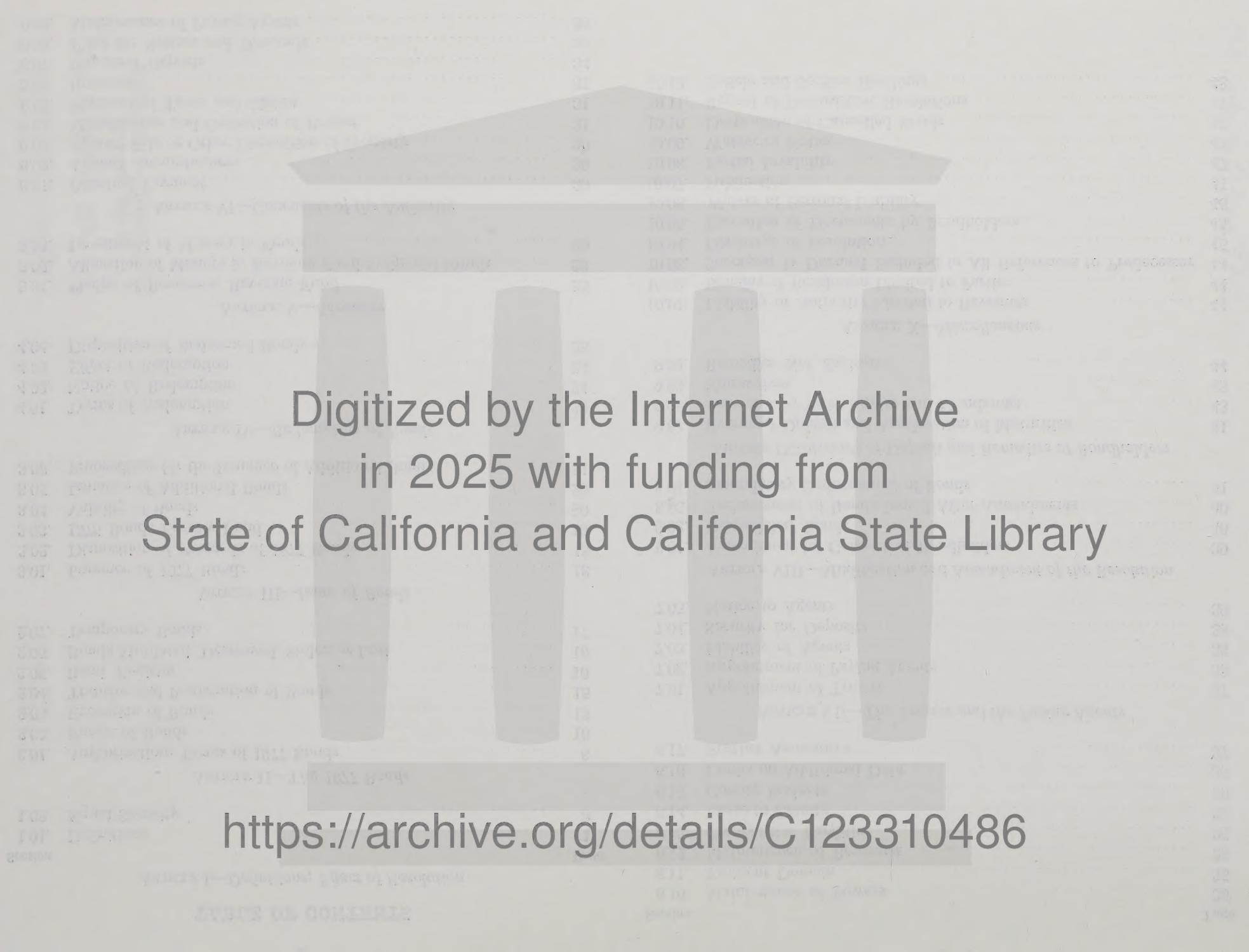
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RESOLUTION NO. 77-2

*Authorizing the Issuance of \$2,170,000 Principal Amount of
Solano County Library Authority
1977 Refunding Revenue Bonds*

Be it resolved by Solano County Library Authority, as follows:

ARTICLE I**DEFINITIONS; EFFECT OF RESOLUTION**

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Resolution and of any resolution supplemental hereto, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

Agreement

The term "Agreement" means the joint exercise of powers agreement dated as of March 1, 1975, as amended as of October 1, 1977, by the County and Fairfield and Suisun pursuant to the Law.

Articles, Sections

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

Authority

The term "Authority" means the Solano County Library Authority, a public entity and public agency created by the Agreement pursuant to the Law.

Board

The term "Board" means the governing board of the Authority.

Bonds; 1977 Bonds; Additional Bonds; 1975 Bonds

The term "Bonds" means the Solano County Library Authority Revenue Bonds, authorized by and at any time outstanding pursuant

to this Resolution. The term "1977 Bonds" means the Solano County Library Authority 1977 Refunding Revenue Bonds, authorized by, and at any time outstanding pursuant to, this Resolution. The term "Additional Bonds" means any other issue of Bonds, other than the 1977 Bonds, payable out of the Revenues, ranking on a parity with the 1977 Bonds and authorized to be issued pursuant to any supplemental resolution and to Sections 3.05 and 3.06 hereof. The term "1975 Bonds" means the Solano County Library Authority 1975 Revenue Bonds authorized by and outstanding pursuant to Resolution No. 75-7 of the Authority, adopted July 17, 1975.

Certificate of the Authority, Statement of the Authority, etc.

The terms "Certificate of the Authority," "Statement of the Authority," "Written Request of the Authority" and "Written Consent of the Authority" mean, respectively, a written certificate, statement, request or consent signed in the name of the Authority by its Chairman or its Secretary or its Treasurer or such other person as may be designated and authorized to sign for the Authority, with the seal of the Authority affixed. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Any certificate or statement of the Authority may be based, in so far as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants, auditors or engineers, unless the officer signing such certificate or statement knows, or in the exercise of reasonable care should have known, that the opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. The same officer of the Authority, or the same counsel or accountant or other persons, as the case may be, need not certify to all of the matters required to be certified under any provision of this Resolution or any supplemental resolution, but different officers, counsel, accountants or other persons may certify to different facts, respectively.

Every certificate or statement of the Authority, and every opinion of counsel, accountants, engineers or other persons provided for herein shall include—

(1) a statement that the person making or giving such certificate, statement or opinion has read all pertinent provisions of this Resolution to which such certificate, statement or opinion may relate;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, statement or opinion is based;

(3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and

(4) with respect to any statement relating to compliance with any provision of this Resolution, a statement as to whether, in the opinion of such person, such provision has been complied with.

County

The term "County" means the County of Solano, State of California.

Fairfield

The term "Fairfield" means the City of Fairfield, a general law city and municipal corporation duly organized and existing under the Constitution and laws of the State of California.

Federal Securities

The term "Federal Securities" means obligations of the United States and those for which the faith and credit of the United States are pledged for the payment of principal and interest; bonds, consolidated bonds, collateral trust debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended; debentures and consolidated debentures issued by the Central Bank of Cooperatives and banks for

cooperatives established under the Farm Credit Act of 1933, as amended; bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act; bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act, as amended; and bonds of any federal home loan bank established under said Act; and, also, any securities now or hereafter authorized, both the principal of and interest on which is guaranteed directly or indirectly by the full faith and credit of the United States of America.

Financial Newspaper or Journal

The term "financial newspaper or journal" means *The Wall Street Journal* or *The Daily Bond Buyer* or any other newspaper or journal devoted to financial news and selected by the Trustee, whose decision shall be final and conclusive.

Fiscal Year

The term "fiscal year" means the fiscal year as established from time to time by the County, being as of the date of this Resolution, the period from July 1 to and including the following June 30.

Holder, Bondholder

The term "holder" or "Bondholder" means any person who shall be the bearer of any outstanding Bond registered to bearer or not registered, or the registered owner or his duly authorized attorney, representative or assigns of any outstanding Bond which shall at the time be registered other than to bearer.

Independent Public Accountant

The term "independent public accountant" means any certified public accountant or public accountant or firm of such accountants retained and paid by the Authority, and who, or each of whom—

(1) is in fact independent, and not under domination of the Authority, the County, Fairfield or Suisun;

(2) does not have any substantial interest, direct or indirect, with the Authority, the County, Fairfield or Suisun; and

(3) is not connected with the Authority, the County, Fairfield or Suisun as a member of the Authority, or as an officer

or employee of the Authority, the County, Fairfield or Suisun, but who may be regularly retained to make annual or similar audits of any of the books of the Authority, the County, Fairfield or Suisun.

Law

The term "Law" means Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. Whenever reference is made in this Resolution to the Law, reference is made to the Law as in force on the date of the adoption of this Resolution, unless the context otherwise requires.

Maximum Annual Debt Service

The term "Maximum Annual Debt Service" means the sum of (1) the interest falling due on then outstanding Bonds, assuming that all then outstanding Bonds are retired as scheduled, and (2) the principal amount of then outstanding Bonds falling due by their terms; all as computed for the fiscal year in which such sum is largest.

Opinion of Counsel

The term "opinion of counsel" means a written opinion of counsel (who may be counsel for the Authority) retained by the Authority and acceptable to the Trustee. Any opinion of counsel may be based upon, in so far as it relates to factual matters, information with respect to which is in the possession of the Authority, upon a certificate or opinion of, or representation by, an officer or officers of the Authority, unless such counsel knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous.

Outstanding

The term "outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.02) all Bonds theretofore executed, issued and delivered by the Authority under this Resolution except—

(1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Bonds for the payment or redemption of which funds in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Authority pursuant to Section 2.06.

Plans and Specifications

The term "Plans and Specifications" means the plans and specifications for the Project prepared by the County.

Project

The term "Project" means the two-story library building containing approximately 40,000 square feet of interior floor space, constructed on the Real Property, including off-street automobile parking facilities necessary therefor, lighting, drainage, water and sewer facilities, landscaping and planting and other site improvements (all as shown or to be shown in the Plans and Specifications), to be used as headquarters for the System and as a County Free Library Zone 1 Library.

Project Lease

The term "Project Lease" means the lease dated as of August 1, 1975, as amended as of October 1, 1977, of the Project from the Authority to the County, entitled "Project Lease," and any amendments thereto permitted hereunder.

Real Property

The term "Real Property" means that certain property within the County and Fairfield described and shown in Exhibit A to the Site Lease.

Resolution

The term "Resolution" means this Resolution, adopted by the Authority under the Law (therein referred to as the "Indenture") providing the terms and conditions for the issuance of the Bonds, and all supplemental resolutions hereafter adopted by the Authority.

Revenues

The term "Revenues" means all rentals received by the Authority as lessor under the Project Lease and all other revenues, proceeds, charges, income, rents, receipts, and profits derived by the Authority as lessor under the Project Lease or otherwise from the use and operation of the Project or arising out of the Project, any damages received under the terms of the Construction Contract and also any interest or other income derived from the investment of the funds herein provided for (except as otherwise provided in Section 3.03 and Section 5.03), and all rentals received by the Authority as lessor from any additions or extensions of the Project or any part thereof hereafter acquired or constructed. The term "Revenues" shall also mean and include any revenues, proceeds, charges, income, rents, receipts and profits declared to be Revenues by any supplemental resolution.

Site Lease

The term "Site Lease" means the lease dated as of August 1, 1975 of the Real Property from the County to the Authority, entitled Site Lease, and any amendments thereto permitted hereunder.

Suisun

The term "Suisun" means the City of Suisun City, a general law city and municipal corporation duly organized and existing under the Constitution and laws of the State of California.

Supplemental resolution

The term "supplemental resolution" means any resolution duly adopted by the Authority under the Law, or any act supplementary thereto or amendatory thereof, at a meeting of the Authority duly convened and held, at which a quorum was present and acted thereon, amendatory of or supplemental to this Resolution, but only if

and to the extent that such supplemental resolution is specifically authorized hereunder.

System

The term "System" means the Solano County Free Library System heretofore established and now existing pursuant to Part 4, Division 20, Chapter 2 of the California Education Code.

Trustee

The term "Trustee" means the Trustee appointed pursuant to Article VII, or its successor for the time being as Trustee hereunder. The Trustee shall act as fiscal agent and paying agent hereunder.

Zone 1

The term "Zone 1" and the term "Zone 1 of the System" means the County Library Special Taxing Zone No. 1, as established by resolution adopted by the Board of Supervisors of the County on December 17, 1968, which includes Fairfield and Suisun.

SECTION 1.02. *Equal Security.* In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Authority and the holders from time to time of the Bonds and interest coupons appertaining thereto, and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all holders of the Bonds and interest coupons without preference, priority or distinction, as to security or otherwise, of any of the Bonds or interest coupons over any of the others by reason of time of issue, sale or negotiation thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II

THE 1977 BONDS

SECTION 2.01. *Authorization; Terms of 1977 Bonds.* 1977 Bonds of the Authority in the aggregate principal amount of Two Million One Hundred Seventy Thousand Dollars (\$2,170,000) are hereby authorized to be issued under and subject to the terms of this Resolu-

tion for the object and purpose of providing the funds required for the refunding of the outstanding 1975 Bonds, including expenses incidental thereto or connected therewith. The 1977 Bonds shall be designated "Solano County Library Authority 1977 Refunding Revenue Bonds" and shall be issued as coupon Bonds, registrable only as to both principal and interest, in the denomination of five thousand dollars (\$5,000) each, numbered 1 to 434 inclusive. The 1977 Bonds shall be dated as of October 1, 1977. The 1977 Bonds shall mature and become payable serially on August 1 in each year, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1978	\$ 25,000	1990	\$ 90,000
1979	25,000	1991	95,000
1980	25,000	1992	100,000
1981	40,000	1993	105,000
1982	45,000	1994	110,000
1983	55,000	1995	115,000
1984	65,000	1996	125,000
1985	70,000	1997	130,000
1986	75,000	1998	140,000
1987	80,000	1999	150,000
1988	85,000	2000	160,000
1989	90,000	2001	170,000

The 1977 Bonds shall bear interest at such rate or rates, not to exceed eight per cent (8%) per annum, as may be fixed by the Authority at the time of sale of the 1977 Bonds. Such interest shall be payable on February 1, 1978, and semiannually thereafter on February 1 and August 1 in each year. The interest coupons attached to the 1977 Bonds shall be numbered in consecutive numerical order and each coupon shall represent six months' interest on the 1977 Bond to which it is attached, except that the first coupon attached to each bond shall represent four months' interest.

Both the principal of and interest on the 1977 Bonds shall be payable at the principal office of the Trustee, in San Francisco, State of California, and also at the office of any paying agent (if any) appointed pursuant to Sections 6.09 and 7.02.

The 1977 Bonds shall be subject to redemption prior to their respective stated maturities as provided in Article IV.

SECTION 2.02. *Forms of Bonds.* The 1977 Bonds, the interest coupons to be attached thereto and the registration certificate to appear thereon shall be in substantially the following forms, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution:

[FORM OF 1977 BOND]

No. \$5,000

SOLANO COUNTY LIBRARY AUTHORITY
1977 REFUNDING REVENUE BOND

SOLANO COUNTY LIBRARY AUTHORITY, a duly constituted public entity and public agency in the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the bearer hereof, or, if this Bond be registered, to the registered owner hereof, on August 1, (subject to the right of prior redemption hereinafter mentioned), the principal sum of Five Thousand Dollars (\$5,000), together with interest thereon from the date hereof until the principal hereof shall have been paid, at the rate of per cent (.....%) per annum, payable on February 1, 1978, and thereafter semiannually on February 1 and August 1 in each year. Unless this Bond be registered, interest due on or before the maturity of this Bond shall be payable only according to the tenor, and upon presentation and surrender, of the annexed interest coupons as they severally become due. Both principal hereof and interest hereon are payable at the principal office of Crocker National Bank, the Trustee, in San Francisco, California, or, at the option of the holder, at the principal office of The Chase Manhattan Bank, N.A., in New York, New York.

This Bond is one of a duly authorized issue of revenue bonds of the Authority (the "Bonds") aggregating Two Million One Hundred Seventy Thousand Dollars (\$2,170,000) in principal amount, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), all issued and to be issued pursuant to the provisions of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Law"), and pursuant to a Resolution of the Authority (the "Resolution") authorizing the

issuance of the Bonds. Reference is hereby made to the Resolution (a copy of which is on file at said office of the Trustee), to any resolutions supplemental thereto and to the Law for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the Revenues, as that term is defined in the Resolution, and the rights of the holders of the Bonds and of the bearers of the appurtenant coupons; and all the terms of the Resolution and the Law are hereby incorporated herein and constituted a contract between the Authority and the holder from time to time of this Bond, and to all the provisions thereof the holder of this Bond, by his acceptance hereof, consents and agrees.

This Bond and the interest hereon and all other Bonds and the interest thereon (to the extent set forth in the Resolution) are payable from, and are secured by a charge and lien on, the Revenues derived by the Authority from the Project (as those terms are defined in the Resolution). As and to the extent set forth in the Resolution, all such Revenues are exclusively and irrevocably pledged to and constituted a trust fund, in accordance with the terms hereof and the provisions of the Resolution and the Law, for the security and payment or redemption of, and for the security and payment of interest on, the Bonds; but nevertheless, in accordance with the Resolution, out of Revenues certain amounts may be applied for the purpose of paying expenses of operation of the Project.

This Bond is a special obligation of the Authority only, and is not a liability of any other public agency, or a lien or charge against the property or funds of the Authority, except to the extent of the pledge of Revenues, as provided by the Resolution. Neither the payment of the principal of this Bond or any part thereof nor any interest thereon constitutes a debt, liability or obligation of the County of Solano, the City of Fairfield or the City of Suisun City, the public agencies who are parties to the agreement creating the Authority.

The Authority covenants that, so long as any of the Bonds are outstanding, it will cause rentals, rates and other charges to be fixed, prescribed and collected in connection with the services and facilities furnished by the Project so as to yield Revenues at

all times sufficient to provide for expenses of maintenance and operation of the Project and to pay the principal of and interest on the Bonds as they become due and payable, all as more fully set forth, and subject to the further terms and conditions contained in the Resolution.

The Bonds are redeemable in whole or in part prior to maturity in the event of loss of or damage to or condemnation of the Project or any part thereof on any date, as more fully set out in the Resolution, at the option of the Authority, as a whole or in part without premium. Bonds maturing on or after August 1, 1988, are also subject to redemption prior to their respective stated maturities, at the option of the Authority, on any interest payment date on or after August 1, 1987, as a whole, or in part in inverse order of maturity and by lot within a maturity, upon payment of the principal amount thereof together with interest accrued thereon to the date fixed for redemption plus a premium of $\frac{1}{4}$ of 1% of such principal amount for each whole year and for any fraction of a year remaining from the date fixed for redemption to the stated maturity of the Bonds so called for redemption, provided that such premium shall not exceed 2% of such principal amount. Notice of redemption is required to be given as provided in the Resolution not less than thirty nor more than sixty days before the redemption date.

This Bond is negotiable and transferable by delivery unless registered as to principal and interest in the name of the holder in the manner provided in the Resolution and thereafter the principal and interest hereof shall be payable only to the registered owner. At the request of the registered owner, this Bond may be reconverted into a coupon bond at the expense of the owner and such coupon Bond may again be registered as hereinabove provided.

The rights and obligations of the Authority and of the holders of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Resolution, but no such modification or amendment shall (1) extend the maturity of this Bond, or reduce the interest rate hereon, or otherwise alter or impair the obligation of the Authority to pay the principal hereof, or interest or any redemption premium hereon, at the time and place

and at the rate and in the currency provided herein, without the express consent of the holder of this Bond, or (2) reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification; all as more fully set forth in the Resolution.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Law and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

IN WITNESS WHEREOF, SOLANO COUNTY LIBRARY AUTHORITY has caused this Bond to be executed in its name and on its behalf with the signature of its President and its Treasurer and the counter-signature of its Secretary and the seal of the Authority to be imprinted or impressed hereon, and the interest coupons attached hereto to be executed with the facsimile signature of its Treasurer, all as of October 1, 1977.

SOLANO COUNTY LIBRARY
AUTHORITY

(Seal)

By
Countersigned:

President

Secretary

Treasurer

[FORM OF INTEREST COUPON]

SOLANO COUNTY LIBRARY AUTHORITY, on

....., unless the Bond herein mentioned shall have been called for previous redemption and payment of the redemption price duly provided for, will pay (but only out of the Revenues referred to in said Bond) to bearer (unless the Bond herein mentioned is registered) at the principal office of CROCKER NATIONAL BANK, in SAN FRANCISCO, CALIFORNIA or, at the option of the bondholder, at the principal office of THE CHASE MANHATTAN BANK, N.A., in NEW YORK, NEW YORK, upon surrender hereof, the sum set forth hereon in lawful \$..... money of the United States of America, being interest then due on its 1977 Refunding Revenue Bond, dated October 1, 1977.

No.....

Coupon No.

Treasurer

[FORM OF REGISTRATION CERTIFICATE]

This Bond is registered in the name of the registered owner whose name and address appear last in the space below and both the principal of and interest on this Bond are payable to such registered owner.

Note: There must be no writing in the space below except by the Trustee.

Date of Registry	Name of Registered Owner	Address of Registered Owner	Signature of Trustee
.....
.....
.....
.....
.....

SECTION 2.03. *Execution of Bonds.* The President and the Treasurer of the Authority are hereby authorized and directed to sign each of the Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the Bonds and to impress or imprint by facsimile the official seal of the Authority thereon. The signatures of the President and the Treasurer may be printed, lithographed or engraved facsimile signatures. The Treasurer is hereby authorized and directed to sign each of the interest coupons by printed, lithographed or engraved facsimile signature. In case any such officer whose signature or countersignature appears on the Bonds or coupons shall cease to be such officer before the delivery of such Bonds to the purchaser, such signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as though he had remained in office until the delivery of the Bonds.

SECTION 2.04. *Transfer and Registration of Bonds.* All Bonds shall be negotiable instruments transferable by delivery, unless registered as to principal and interest in the manner hereinafter provided. The holder of any Bond may have the ownership of the principal and interest thereof registered on the books required to be kept pursuant to the provisions of Section 2.05, and such registration shall be noted on the Bond. The Trustee shall detach and retain in safekeeping the coupons attached to such Bond. After such registration no transfer shall be valid unless made on said books at the request of the registered owner or by his duly authorized attorney and similarly noted on the Bond; but such Bond may be discharged from registration by being in like manner transferred to bearer, and the Trustee shall attach thereto coupons for all unmatured interest, and thereupon negotiability and transferability by delivery shall be restored; and such Bond may again and from time to time be registered or transferred to bearer, as before.

All transfers, registrations and discharges from registration of Bonds pursuant to this Section shall be made under such reasonable regulations as the Trustee may prescribe and shall be without expense to the holder of the Bonds, except that any taxes or other governmental charges required to be paid with respect to

the same shall be paid by the Bondholder requesting such transfer, registration or discharge from registration, as a condition precedent to the exercise of such privilege.

As to any registered Bond, the person in whose name the same shall be registered shall be deemed the owner thereof for all purposes of this Resolution and payment of or on account of the principal of or interest on such Bond shall be made only to or upon the order in writing of such registered owner, but such registration may be changed as hereinbefore provided. All such payments shall be valid and effectual to satisfy and discharge liability upon such Bond to the extent of the sum or sums so paid. The Authority, the Trustee and any paying agent may treat the bearer of any Bond which shall not at the time be registered, whether or not such Bond shall be overdue, and the bearer of any coupon, as the absolute owner of such Bond or coupon for the purpose of receiving payment thereof and for all other purposes whatsoever, and the Authority, the Trustee and any paying agent shall not be affected by any notice to the contrary.

SECTION 2.05. *Bond Register.* The Trustee will keep or cause to be kept at its principal office in San Francisco, California, sufficient books for the registration and transfer of the Bonds, and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as hereinbefore provided.

SECTION 2.06. *Bonds Mutilated, Destroyed, Stolen or Lost.* In case any Bond shall become mutilated in respect of the body of such Bond or the coupons, if any, appertaining thereto, or shall be believed by the Authority to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Authority and upon the surrender of such mutilated Bond with its coupons, if any, at said office of the Trustee, or at any other office or agency of the Authority maintained for such purpose, or upon the receipt of evidence satisfactory to the Authority of such destruction, theft or loss, and upon receipt also of indemnity satisfactory to the Authority, and upon payment of all expenses incurred by the Authority in the premises, the Authority shall execute and deliver at said office of the Trustee,

or at such other office or agency, a new Bond or Bonds of the same maturity and for the same aggregate principal amount, with the coupons, if any, appertaining thereto, of like tenor and date, bearing the same number or numbers, with such notations as the Authority shall determine, in exchange and substitution for and upon cancellation of the mutilated Bond and its coupons, if any, or in lieu of and in substitution for the Bond and its coupons, if any, so destroyed, stolen or lost.

If any such destroyed, stolen or lost Bond shall have matured, payment of the amount due thereon may be made by the Authority upon receipt of like proof, indemnity and payment of expenses.

Any such duplicate Bonds or coupons issued pursuant to this Section shall be entitled to equal and proportionate benefits with all other Bonds issued hereunder. The Authority, the Trustee and any paying agent shall not be required to treat both the original Bond and any duplicate Bond as being outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

SECTION 2.07. *Temporary Bonds.* Until definitive Bonds shall be prepared, the Authority may cause to be executed and delivered in lieu of such definitive Bonds and subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds, except that they may be in any denominations acceptable to the purchaser and shall be registrable as to both principal and interest, one or more temporary typed, printed, lithographed or engraved Bonds in bearer or registered form without coupons, substantially of the same tenor and, until exchanged for definitive Bonds, entitled and subject to the same benefits and provisions of this Resolution as definitive Bonds of the same maturity. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without unnecessary delay and thereupon the temporary Bonds may be surrendered to the Trustee in San Francisco, California, without expense to the holder, in exchange for definitive Bonds of like aggregate principal amount, of the same character and serial maturity. All temporary Bonds so surrendered shall be cancelled by the Trustee.

ARTICLE III

ISSUE OF BONDS

SECTION 3.01. *Issuance of 1977 Bonds.* At any time after the adoption of this Resolution, the Authority may execute and deliver 1977 Bonds in the aggregate principal amount of not to exceed Two Million One Hundred Seventy Thousand Dollars (\$2,170,000).

SECTION 3.02. *Disposition of Proceeds of 1977 Bonds.* The proceeds of the sale of the 1977 Bonds and all funds and securities held by the Trustee for the 1975 Bonds on the date of delivery of the 1977 Bonds derived from the proceeds of the sale of the 1975 Bonds or earnings thereon, shall be forthwith paid to the Trustee which shall set aside, pay over and deposit such proceeds as follows:

(1) The Trustee shall pay over to Crocker National Bank, as trustee for the 1975 Bonds Escrow Fund (as hereinafter defined) a sum sufficient (together with any other funds deposited with the Trustee for such purpose) to purchase Federal Securities in an amount sufficient to pay the interest on the outstanding 1975 Bonds as it becomes due, to pay the principal of the 1975 Bonds as it becomes due on and before August 1, 1988, and to provide for the redemption of the 1975 Bonds outstanding on the earliest date of redemption of such outstanding 1975 Bonds, to wit, August 1, 1988.

(2) The Trustee shall set aside in the Reserve Fund an amount equal to one-half of Maximum Annual Debt Service.

(3) The Trustee shall set aside in the Working Capital Fund the amount necessary to meet the costs and expenses of issuance of the 1977 Bonds and to leave a balance in said Fund of \$7,500.

(4) The Trustee shall set aside the remainder of such proceeds in the Surplus Revenue Fund.

The Authority covenants that it will make no use of the proceeds of the Bonds which will cause the Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 103(d) of the Internal Revenue Code of 1954. To that end, so long as any of the Bonds are outstanding, the Authority, the Treasurer and the Trustee, with respect to the proceeds of the Bonds, shall comply with all requirements of said Section 103(d) and of all regu-

lations of the United States Department of the Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect.

SECTION 3.03. 1975 Bonds Escrow Fund. There is hereby created a fund to be known as the "1975 Bonds Escrow Fund" (the "Escrow Fund") which the Authority hereby covenants and agrees to cause to be maintained, which shall be held in trust by Crocker National Bank, as trustee. The sum deposited in the Escrow Fund shall be in an amount which, when invested as herein set forth, is sufficient to pay all principal of and interest on the 1975 Bonds due on and prior to August 1, 1988, and to pay the principal of and redemption premiums on the 1975 Bonds to be redeemed on August 1, 1988. All such moneys shall be invested in Federal Securities which shall bear interest at such rate or rates or, if applicable, shall be bought at such discount, or both, and which shall mature at such time or times as will enable the Authority to make all such payments. Such sum, together with the moneys held pursuant to the resolution authorizing the issuance of the 1975 Bonds shall be certified by an Independent Certified Public Accountant to be sufficient at the time of the issuance of the 1977 Bonds to meet the requirements heretofore set forth.

The Authority hereby covenants that it will deposit on or before the date of delivery of the 1977 Bonds into the Escrow Fund an amount sufficient to make the total moneys deposited in the Escrow Fund sufficient to pay principal of and interest on the 1975 Bonds due on and prior to August 1, 1988 and to pay the principal of and redemption premiums on the 1975 Bonds to be called for redemption on August 1, 1988.

The Authority hereby covenants, and by such covenant obligates itself to exercise on August 1, 1988, the privilege of redemption of the 1975 Bonds and in connection therewith to take all steps required by the resolution authorizing the issuance of the 1975 Bonds to insure that such privilege is exercised to the end that the 1975 Bonds are in fact redeemed on August 1, 1988. Crocker National

Bank, as trustee, shall hold the Escrow Fund in trust for the Authority. Any balance remaining in the Escrow Fund after all the 1975 Bonds have been called and redeemed, shall be transferred by said bank to the Trustee and shall be deposited by the Trustee in the Revenue Fund hereinafter established to be used only for the purpose of the payment of the principal of and interest on the 1977 Bonds as they mature.

SECTION 3.04. Validity of Bonds. The validity of the authorization and issuance of any of the Bonds shall not be dependent on or affected in any way by (a) any proceedings taken by the Authority or the County or Fairfield or Suisun for the acquisition, construction or completion of the Project or any part thereof, or (b) any contracts made by the Authority, County or Fairfield or Suisun in connection therewith, or (c) the failure to complete the Project or any part thereof. The recital contained in the Bonds that the same are regularly issued pursuant to the Law shall be conclusive evidence of their validity and of compliance with the provisions of the Law in their issuance.

SECTION 3.05. Issuance of Additional Bonds. In addition to the Bonds authorized to be issued under this Resolution, the Authority may by supplemental resolution establish one or more other issues of Additional Bonds, on a parity with the 1977 Bonds and may issue and deliver such Additional Bonds, in such principal amount as shall be determined by the Authority, but only upon compliance by the Authority with the provisions of Section 3.05, and subject to the following specific conditions which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) Such Additional Bonds shall have been authorized to finance an addition or additions to the Project or any part thereof and the issuance thereof shall have been determined and declared by the Authority, in a supplemental resolution, to be necessary for that purpose.

(b) The Authority shall be in compliance with all covenants and undertakings set forth in this Resolution.

(c) The supplemental resolution authorizing issuance of such Additional Bonds shall require that the proceeds of the sale of such Additional Bonds shall be deposited in the Construction Fund and applied solely for the completion of the Project or part thereof for completion of which such Additional Bonds are issued, or an addition or additions thereto and expenses and costs incidental thereto, including costs and expenses incident to the issuance and sale of such Additional Bonds and interest on said Additional Bonds during the actual period of completion of the Project or part thereof for completion of which such Additional Bonds are issued, or such addition or additions and for a period not to exceed twelve (12) months thereafter.

(d) Such Additional Bonds shall be equally and ratably secured with all other Bonds herein authorized, without preference or priority of any of the Bonds over any other Bonds, except as expressly provided in this Resolution.

(e) The Additional Bonds shall be payable as to principal on August 1 of each year in which principal falls due, and payable as to interest on February 1 and August 1 of each year, and shall not be subject to redemption prior to August 1, 1987, except in the case of damage or condemnation.

(f) The Authority shall have entered into a new lease or a revision of the Project Lease with the County in and by which the County obligates itself in the manner provided in the Project Lease to make payments of Base Rental and Additional Rental to the Authority for the use of the Project at the times and in the amounts sufficient to provide for the payment of the principal of and interest on such Additional Bonds as such principal and interest become due and to make all other necessary payments.

SECTION 3.06. Proceedings for the Issuance of Additional Bonds. Whenever the Authority shall determine to issue Additional Bonds pursuant to Section 3.05, the Authority shall adopt a supplemental resolution determining that the issuance of such Additional Bonds is necessary for the completion of the Project or for an addition or additions to the Project or a stated part thereof, specifying the principal amount of such Additional Bonds and prescrib-

ing the terms and conditions of such Additional Bonds and the funds to be established for the security and payment thereof.

Such supplemental resolution shall prescribe the form or forms of such Additional Bonds and shall provide for the distinctive designation, denominations, methods of numbering, date, maturity dates, interest rates, interest payment dates, places of payment of principal and interest and whether such Additional Bonds are to be coupon Bonds with or without provision for registration as to principal only or as fully registered Bonds with or without coupons or a combination thereof, and shall also provide for the continuation of the Revenue Fund herein provided for and for the creation of any additional principal funds, interest funds, reserve funds, and other funds applicable to, and required for the security of, the Additional Bonds.

The Authority may by such supplemental resolution prescribe any other provisions respecting the Additional Bonds not inconsistent with the terms of this Resolution, including registration, transfer and exchange provisions, and provisions for the payment of principal and interest.

Before such Additional Bonds shall be issued and delivered, the Authority shall file the following documents with the Trustee:

(a) The Certificate of the Authority certifying that the issuance of such Additional Bonds is necessary to provide for the completion of the Project or for an addition or additions to the Project, or a stated part thereof, and setting forth the estimated cost of completion thereof and the estimated date of completion thereof.

(b) The supplemental resolution authorizing such Additional Bonds.

(c) An opinion of counsel setting forth (1) that he has examined the supplemental resolution; (2) that the execution and delivery of the Additional Bonds have been sufficiently and duly authorized by the Authority; (3) that the issuance of the Additional Bonds is authorized by the Law; (4) that said Additional Bonds, when duly executed and delivered by the Authority, will be valid and binding obligations of the Authority, payable from Revenues in accordance with the terms of this Resolution and the supplemental

resolution authorizing the issuance of such Additional Bonds; and (5) that upon the delivery of the Additional Bonds the aggregate principal amount of Bonds then outstanding will not exceed the amount at the time permitted by law or the then limits of indebtedness of the Authority, if any.

(d) The Certificate of the Authority certifying that the requirements set forth in Section 3.05 have been either met or provided for, together with a copy of the lease to the County required by said section.

ARTICLE IV REDEMPTION OF BONDS

SECTION 4.01. Terms of Redemption. In the event of loss of, substantial damage to or condemnation of the whole or any substantial part of the Project, so as to render the same unusable, as more fully set out in Sections 6.06 and 6.11, all or any part of the 1977 Bonds at that time outstanding, may, at the option of the Authority, be called and redeemed prior to maturity on any date, at a redemption price equal to the principal amount thereof with accrued interest to the date of redemption and without premium, but only in the manner and only from the funds as hereinafter provided in Sections 6.06 and 6.11. If less than all the 1977 Bonds are called under this paragraph, Trustee shall determine a principal amount in each maturity to be called so that approximately equal annual debt service will prevail. The 1977 Bonds to be then called in each maturity will be selected by lot.

Except as set forth in the preceding paragraph, 1977 Bonds maturing on or before August 1, 1987, shall not be subject to redemption prior to their respective stated maturities. 1977 Bonds maturing on or after August 1, 1988, shall be subject to redemption prior to their respective stated maturities, at the option of the Authority, on any interest payment date on or after August 1, 1987, as a whole, or in part in inverse order of maturity and by lot within any maturity, upon payment of the principal amount thereof together with interest accrued thereon to the date fixed for redemption plus a premium of $\frac{1}{4}$ of 1% of such principal amount for each whole year and for any fraction of a year remaining from the date fixed for redemp-

tion to the stated maturity of the 1977 Bonds so called for redemption, provided that such premium shall not exceed 2% of such principal amount.

SECTION 4.02. Notice of Redemption. Notice of redemption shall be given by publication at least once prior to the redemption date in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in San Francisco, California, such publication to be not less than thirty (30) nor more than sixty (60) days before such redemption date. If any Bond called for redemption is registered, notice of redemption thereof shall also be mailed, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to each registered owner of such Bond, but neither failure to mail such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds. Each notice of redemption shall state the redemption date, the place of redemption, the principal amount and, if less than all, the distinctive numbers of the Bonds to be redeemed, and shall also state that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Bonds the principal amount thereof to be redeemed, interest accrued thereon to the redemption date and the premium, if any, thereon (such premium to be specified).

Notice of redemption shall be given by the Trustee for and on behalf of the Authority. The Trustee may, but shall not be required to, give such notice before making the deposit provided for in the second paragraph of Section 5.02(a), and before giving such notice, may require such assurance from the Authority as the Trustee may deem necessary that funds for payment of the principal of and premium, if any, on the Bonds called for redemption will be provided on or before the specified redemption date.

SECTION 4.03. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price being held by the Trustee, the Bonds so to be redeemed shall, on the date designated in such notice, become due and payable at the redemption price specified in such notice; and

from and after the date so designated interest on the Bonds so designated for redemption shall cease to accrue, the coupons for interest thereon maturing subsequent to the date so designated shall be void and the holders of said Bonds shall have no rights in respect thereof, except to receive payment of the redemption price thereof. Upon surrender for payment of any Bonds specified therein, together with all coupons thereto appertaining unmatured at the redemption date such Bonds shall be paid by the Trustee at the redemption price aforesaid. Such part of the redemption price as shall be represented by coupons matured prior to or on the date of redemption shall continue to be payable to the respective bearers of the coupons therefor upon presentation and surrender thereof.

SECTION 4.04. Disposition of Redeemed Bonds. All Bonds redeemed pursuant to the provisions of this Article IV or purchased pursuant to the provisions of Section 5.02(d), and the appurtenant coupons, if any, shall be delivered to and cancelled by the Trustee and shall thereafter be delivered by the Trustee to or upon the order of the Authority, and no Bonds shall be issued in place thereof.

ARTICLE V

REVENUES

SECTION 5.01. Pledge of Revenues; Revenue Fund. All of the Revenues are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds, and Revenues shall not be used for any other purpose while any of the Bonds remain outstanding; *except* that out of Revenues there may be apportioned such sums for such purposes as are expressly permitted by this Article V. Said pledge shall constitute a first, direct and exclusive charge and lien on the Revenues for the payment of the Bonds in accordance with the terms hereof.

All Revenues (except interest, income or profit on investments of funds pursuant to Section 3.02 and Section 5.03) shall be transmitted by the Authority to the Trustee within one business day after the receipt thereof. All Revenues so transmitted shall be forthwith deposited by the Trustee in a special fund, designated as the "Solano County Library Authority Revenue Fund," which fund is hereby cre-

ated and is hereinafter called the "Revenue Fund." The Revenue Fund shall be maintained by the Trustee, separate and apart from all other funds, so long as any of the Bonds remain outstanding. All moneys at any time deposited in the Revenue Fund shall be held in trust for the benefit of the holders from time to time of the Bonds and the coupons appertaining thereto and shall be disbursed, allocated and applied solely for the uses and purposes hereinafter in this Article V set forth.

SECTION 5.02. Allocation of Moneys in Revenue Fund to Special Funds. All moneys in the Revenue Fund shall be set aside by the Trustee in the following respective special funds, each of which the Trustee shall establish and maintain, and shall be held in trust by the Trustee in such funds and disbursed and applied only for the purposes hereinafter authorized:

(a) *Interest and Redemption Fund.* The Trustee shall set aside out of the Revenue Fund in the Interest and Redemption Fund on or before each January 31 and July 31, beginning on or before January 31, 1978, an amount equal to one-half of the aggregate principal and interest coming due on the Bonds on the next two succeeding interest payment dates. No payment need be made into the Interest and Redemption Fund on any July 31 to the extent that the amount contained therein is at least equal to the interest and principal to become due on the next August 1 upon all of the Bonds then outstanding. Moneys in the Interest and Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest on the Bonds as the same shall become due and payable (including accrued interest on any Bonds purchased or redeemed pursuant to this Resolution).

The Trustee shall also deposit in a separate account within the Interest and Redemption Fund any sums deposited with the Trustee by the Authority for redemption of Bonds pursuant to Article IV. Moneys in said account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds called for redemption pursuant to said Article; provided, however, that if any Bonds so called for redemption are not presented to the Trustee for payment of the redemption price

within the time prescribed by the laws of the State of California for the limitation of actions to recover such redemption price, the amounts so deposited for payment of such Bonds shall be deposited in the Revenue Fund.

(b) *Reserve Fund.* The Trustee shall deposit from the Revenue Fund in the Reserve Fund (the initial payment into which is provided for in Section 3.02) any sums necessary to maintain in the Reserve Fund an amount equal to one-half of Maximum Annual Debt Service. Amounts in the Reserve Fund in excess of one-half of Maximum Annual Debt Service shall be withdrawn and deposited in the Surplus Revenue Fund. In the event that the balance in the Reserve Fund falls below one-half of Maximum Annual Debt Service the Trustee shall restore the amount withdrawn, from Revenues or from available funds in the Surplus Revenue Fund established pursuant to this Section. Moneys in the Reserve Fund shall be used and withdrawn solely for the purpose of paying the principal of and interest on the Bonds in the event that no other funds of the Authority are available therefor, or for the retirement or redemption of all of the bonds then outstanding, or to reimburse the County for any rentals theretofore paid by the County under the Project Lease for a period of time during which the payment of rental under the Project Lease is abated pursuant to Section 19 thereof, and for which no other moneys including the proceeds of the rental income or use and occupancy insurance required by Section 6.06 and moneys in the Surplus Revenue Fund are available.

(c) *Working Capital Fund.* Commencing when the initial Base Rental (as said term is defined in the Project Lease) is paid under the Project Lease and thereafter on each August 1 (but after making the deposits required on or before such date by subsections (a) and (b) above) the Trustee shall deposit in the Working Capital Fund a sum sufficient for the payment of the following items that will become due during the 12-month period beginning on said date, as estimated by the Trustee,

(i) All taxes and assessments of any nature whatsoever, including, but not limited to, excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts

taxes, if any, levied upon the Project or upon the Authority's interest therein or upon the Authority's operation thereof or the Authority's rental income derived therefrom.

(ii) All expenses (not otherwise paid or provided for out of the proceeds of the sale of Bonds of the Authority) incidental to the issuance of the Bonds and all administrative costs of the Authority, including but without limiting the generality of the foregoing, salaries, wages, expenses, compensation and indemnification of the Trustee under this Resolution, fees and charges of auditors, accountants, attorneys and engineers, and all other necessary administrative charges of the Authority or charges required to be paid by it in order to comply with the terms of the Bonds or of this Resolution and to defend the Authority and its members.

(iii) Insurance premiums, if any, on all insurance required or permitted to be paid by the Authority in respect of the Project under the provisions of Section 7 of the Project Lease, or otherwise.

(iv) All costs and expenses which the Authority may incur in consequence of or because of any default by the County under the Project Lease or by the County under any other lease relating to the Project, including reasonable attorneys' fees and costs of suit or action at law to enforce the terms and conditions of the Project Lease or such other lease.

(v) All sums necessary to maintain the sum of \$7,500 in the Working Capital Fund.

The Trustee shall, pursuant to Section 3(b) of the Project Lease or pursuant to the equivalent provisions of any other lease or sublease relating to the Project, bill the County for any balance of the amounts due to pay any of the foregoing items (i) to (iv), inclusive, when the same become due and, upon receipt of same, deposit such amounts in the Revenue Fund.

If at any time the Authority shall operate the Project by reason of default by the County, the Trustee shall deposit in the Working Capital Fund all amounts which shall be required during the period

of such operation to provide for the payment of all costs of maintenance and operation of the Project, including costs of repairs and replacements, labor costs and insurance.

Moneys shall be paid or withdrawn by the Trustee from the Working Capital Fund on the Written Request of the Authority.

(d) *Surplus Revenue Fund.* After meeting the requirements of the foregoing subsections (a) through (c), the Trustee on or after each August 2, beginning in 1978, shall deposit any remaining moneys in the Revenue Fund in the Surplus Revenue Fund. Moneys in the Surplus Revenue Fund may be used (i) for the redemption of Bonds upon the notice and in the manner provided in Article IV; (ii) for the purchase of Bonds at such prices as the Authority may deem advisable, but not to exceed the par value thereof, or, in the case of Bonds which by their terms are subject to call and redemption, the highest redemption price (excluding accrued interest) or the then current redemption price (excluding accrued interest), whichever is lower; (iii) for transfer to the Working Capital Fund; (iv) to reimburse the County for any Base Rental or Additional Rental previously paid; or for any other lawful purpose of the Authority including transfer to the County. The Trustee shall apply moneys in the Surplus Revenue Fund for such purposes upon the Written Request of the Authority, except that deposits to comply with Section 5.02(b) shall be made without such Written Request.

(e) *Insurance Proceeds Fund.* All of the proceeds of any insurance policies maintained pursuant to Section 6.06 of this Resolution shall be deposited in the Insurance Proceeds Fund. All sums on deposit in the Insurance Proceeds Fund shall be used first to reimburse the County for any Base Rental theretofore paid, for a period of time during which the County does not have the use and occupancy of the Project or any part thereof; thereafter, pursuant to the Project Lease, (1) if the Project or any part thereof is to be repaired or rebuilt the Trustee shall, upon Written Request of the Authority, apply the balance of said sums to such repair or rebuilding or (2) if the Project or part thereof is not to be repaired or rebuilt the Trustee shall deposit the same in the Revenue Fund for application as provided for moneys in such Fund.

SECTION 5.03. *Investment of Moneys in Funds.* Any moneys in the Revenue Fund, the Interest and Redemption Fund, the Reserve

Fund, the Working Capital Fund, the Surplus Revenue Fund or the Insurance Proceeds Fund may, and upon the Written Request of the Authority shall, be invested by the Trustee in Federal Securities which will mature on or before the time such moneys are required to be paid out hereunder; provided, however, that moneys in the Reserve Fund shall be invested in such securities maturing in not more than 10 years from the date of investment. Any interest, income or profit on any such investment, to the extent not necessary to maintain a balance required by this Resolution or any Supplemental Resolution in the fund from which such investment was made, shall be deposited in the Surplus Revenue Fund.

ARTICLE VI

Covenants of the Authority

SECTION 6.01. *Punctual Payment.* The Authority will punctually pay or cause to be paid the principal and interest (and premium, if any) to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and all supplemental resolutions and of the Bonds.

SECTION 6.02. *Against Encumbrances.* The Authority will not create, or permit the creation of, any mortgage or lien upon the Project or any part thereof, or upon any real or personal property essential to the operation of the Project. The Authority will not create, or permit the creation of, any pledge, lien or charge upon the Revenues other than the lien of this Resolution, and will not issue any bonds or obligations payable from Revenues or secured by a pledge, lien or charge upon the Revenues, other than the Bonds.

SECTION 6.03. *Against Sale or Other Disposition of Property.* The Authority will not sell or otherwise dispose of any property essential to the proper operation of the Project or any part thereof, or to the maintenance of the Revenues. The Authority will not enter into any agreement which impairs or impedes the operation of the Project or any part thereof or which otherwise impairs or impedes

the rights of the Bondholders with respect to Revenues. The proceeds of every sale, lease or other disposition of property of the Authority shall be forthwith transmitted to the Trustee and by it deposited in the Revenue Fund.

SECTION 6.04. Maintenance and Operation of Project. The Authority will cause the Project to be maintained in good repair, working order and condition at all times, and will cause the Project and each part thereof to be operated so that all lawful orders of any governmental agency or authority having jurisdiction in the premises shall be complied with, but the Authority shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith.

SECTION 6.05. Payment of Taxes and Claims. The Authority will, from time to time, duly pay and discharge, or cause to be paid and discharged, any taxes, assessments or other governmental charges lawfully imposed upon the Project or any part thereof or upon the Revenues, when the same shall become due, as well as any lawful claim for labor, materials or supplies which, if unpaid, might by law become a lien or charge upon the Revenues or the Project, or which might impair the security of the Bonds.

SECTION 6.06. Insurance. The Authority shall at all times maintain or cause to be maintained with responsible insurers all such insurance on the properties comprising the Project (valued as defined below) which is customarily maintained with respect to properties of like character against accident to, loss of or damage to such properties. Notwithstanding the generality of the foregoing, the Authority shall not be required to maintain or cause to be maintained any insurance which is not available from reputable insurers on the open market or more insurance than is specifically referred to below.

The Authority shall keep or cause to be kept a policy or policies of insurance against loss or damage to the properties comprising the Project and appurtenances and permanent equipment therein, resulting from fire, lightning, vandalism, malicious mischief, riot, and civil commotion and such perils ordinarily defined as "extended cov-

erage" (and other perils as Authority and the County may agree should be insured against on forms and in amounts satisfactory to each). Such insurance, except as to such other perils, shall be maintained in an amount not less than the full amount of the outstanding Bonds plus \$5,000 (provided co-insurance provisions are waived) subject to a deductible of \$5,000 for each loss. The Authority shall also:

(a) Keep or cause to be kept the Project and each part thereof insured:

(i) Against war risks, as and when such insurance is obtainable from reputable insurance companies or the United States of America or any agency thereof, in an amount not less than 80% of the then full insurable value thereof; and

(ii) Against loss or damage from leakage of sprinkler systems now or hereafter installed therein in amounts to be determined by the Authority; and

(b) Keep or cause to be kept the properties comprising the Project and each part thereof insured by earthquake insurance (if such insurance is obtainable on the open market from reputable insurance companies or from any governmental agency satisfactory to the Trustee) against loss or damage by earthquake in an amount not less than the lower of the following:

(i) The full insurable value of such properties (as defined above) with deductible conditions of not to exceed 5% of such insurable value for any one loss which is less than the face amount of the policy; or

(ii) the amount of the outstanding Bonds (provided co-insurance provisions are waived).

(c) Maintain or cause to be maintained use and occupancy or business interruption or rental income insurance for the

Project, insuring against loss of use caused by the perils covered by the insurance required by the second paragraph of this Section and Section 6.06(b), in an amount equal to not less than the full rental payable by the County under the Project Lease for a period equal to the duration of construction plus three months; and

(d) Maintain or cause to be maintained public liability insurance against claims for bodily injury or death, or damage to property occurring upon, in or about each property comprising the Project, such insurance for each such property to afford protection to a limit of not less than \$1,000,000 with respect to bodily injury or death of any one person, not less than \$1,000,000 with respect to bodily injury or death to any number of persons in any one accident, and property damage liability insurance in amount not less than \$50,000; and

(e) Maintain or cause to be maintained workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the Workers' Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof, such workmen's compensation insurance to cover all persons employed in connection with the Project or any part thereof and to cover full liability for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death during or in connection with the Project or any part thereof or the business of the Authority.

All insurance herein provided for shall be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of California, provided that the County may maintain such insurance with the Authority as an additional insured and that the County may act as a self-insurer, so long as that amount of self-insurance not covered by existing funded reserves

(plus amounts budgeted for the ensuing fiscal year for expected losses) is not greater than \$100,000.

All policies or certificates issued by the respective insurers for insurance shall provide that such policies or certificates shall not be cancelled or materially changed without at least ten (10) days prior written notice to the Trustee, and shall carry loss payable endorsements in favor of the Trustee where applicable. Certificates of such insurance shall be deposited with the Trustee by the Authority, together with appropriate evidence of payment of the premiums therefor; and, at least ten (10) days prior to the expiration dates of expiring policies held by the Trustee, certificates of renewal or new insurance shall be deposited with the Trustee.

All proceeds of insurance with respect to loss or damage to the property shall be paid to the Trustee (except that proceeds for any one loss not exceeding \$5,000 need not be paid to the Trustee but may be paid to the Authority and applied by it to the repair, restoration or replacement of the property destroyed or damaged).

SECTION 6.07. *Financial Reports.* Within one hundred twenty (120) days after the close of each fiscal year, the Authority will furnish to the Trustee, to the original purchasers of the Bonds, and to any Bondholder who shall make written request therefor not less than ninety (90) days prior to the close of such fiscal year, detailed certified reports of audit, based on an examination sufficiently complete, prepared by an independent public accountant, covering the operations of the Authority for the next preceding year, showing the Revenues and expenses for such period and the types and amounts of insurance coverage in force for such period and the expiration dates thereof. Such audit report shall include statements of the status of each fund pertaining to the Bonds or the Project, showing the amount and source of deposits therein, the amount and purpose of the withdrawals therefrom and the balance therein at the beginning and end of the fiscal year.

SECTION 6.08. *Place for Notices and Demands.* The Authority hereby designates the principal office of the Trustee, in San Francisco, California, as the place where notices and demands in respect of the Bonds and coupons may be served or made. The Authority

will maintain, so long as any of the Bonds are outstanding, an office or agency in San Francisco, California, where notices and demands in respect of the Bonds and coupons may be served or made.

SECTION 6.09. Maintenance of Paying Agents. The Authority shall appoint and at all times have a paying agent for the payment of the principal of, and the interest (and premium, if any) on, the Bonds in New York, New York. It shall be the duty of the Trustee to make such credit arrangements with such paying agent as may be necessary to assure, to the extent of the moneys held by the Trustee for such payment, the prompt payment of the principal of, and interest (and premium, if any) on, the Bonds presented at such place of payment.

SECTION 6.10. Maintenance of Powers. The Authority will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to law and the Agreement, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the observance of any of the covenants herein contained.

SECTION 6.11. Eminent Domain. The Trustee upon receipt of any moneys as the result of the condemnation of all or any part of the Project shall deposit the same in the Revenue Fund and said moneys shall be used as provided in the Project Lease.

SECTION 6.12. Maintenance of Revenues. The Authority will promptly collect all rents and charges due for the occupancy or use of the facilities of the Project as the same become due, and will promptly and vigorously enforce its rights against any tenant or other person who does not pay such rents or charges as they become due. The Authority will at all times maintain and vigorously enforce all of its rights under the Project Lease.

SECTION 6.13. Competitive Facilities. No projects or facilities competitive with the Project will be acquired or constructed by the Authority so long as any of the Bonds are outstanding.

SECTION 6.14. Lease to County. Except to the extent permitted by Section 3.05(f), the Authority shall not consent to the amendment, alteration or modification, in whole or in part, of the Project Lease, except (a) with the written consent of the Trustee, if, in the opinion of the Trustee, such amendment, alteration or modification does not materially adversely affect the rights of the holders of the Bonds, or (b) with the written consent of the holders of sixty per cent (60%) in aggregate principal amount of the Bonds then outstanding, exclusive of Bonds disqualified as provided in Section 8.02. Any such written consent shall be obtained in the manner provided in Section 8.01, except that, in lieu of a supplemental resolution as provided in Section 8.01 the Authority shall adopt a resolution expressing its consent to the amendment, alteration or modification of said agreement.

SECTION 6.15. County Budgets. In the event of a failure by the County to perform its covenants relating to budgeting under the Project Lease, the Authority shall promptly take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be raised by the County in the then ensuing fiscal year for the payment of rentals due under the Project Lease and shall notify the Trustee of the proceedings then taken or proposed to be taken by the Authority. The Authority shall keep the Trustee advised of all proceedings thereafter taken by the Authority. In the event that the Authority does not take action which the Trustee, in its sole discretion, deems adequate to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required by the County in the then ensuing fiscal year for the payment of rentals due under the Project Lease, then the Trustee shall promptly take such action.

SECTION 6.16. Limits on Additional Debt. The Authority covenants that:

(a) No additional indebtedness evidenced by revenue bonds or any other evidences of indebtedness payable out of the Revenues shall be issued pursuant to the Law or any other law of the State of California having any priority in payment of prin-

cipal or interest out of the Revenues over the Bonds authorized by this Resolution.

(b) No Additional Bonds or any other evidences of indebtedness payable out of the Revenues shall be issued, except pursuant to Sections 3.05 and 3.06 and subject to the limitations thereof, and ranking on a parity with the 1977 Bonds.

(c) No refunding bonds or other evidences of indebtedness payable out of the Revenues shall be issued to refund less than all of the Bonds authorized by this Resolution unless the Authority shall have entered into a lease or revised lease with the County in and by which the County obligates itself in the manner provided in the Project Lease to make payments of Base Rental to the Authority for the use of the Project at the times and in the amounts sufficient to provide for the payment of the principal of and interest on Bonds outstanding after such refunding as such principal and interest become due.

SECTION 6.17. *Further Assurances.* The Authority will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the holders of the Bonds of the rights and benefits provided in this Resolution.

ARTICLE VII

THE TRUSTEE AND THE PAYING AGENTS

SECTION 7.01. *Appointment of Trustee.* The principal office of Crocker National Bank in San Francisco, California, a national banking association organized and existing under the laws of the United States of America, is hereby appointed Trustee for the Authority and the holders of Bonds issued hereunder, to act as the fiscal agent and legal depositary of the Authority for the purpose of receiving all moneys which the Authority is required to pay to the Trustee hereunder, and to hold, allocate, use and apply the same as provided in this Resolution.

The Authority may remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors

thereto; provided, that any Trustee or successor Trustee shall be a bank or trust company doing business and having a principal office in San Francisco, California, and a capital and surplus of not less than \$50,000,000.

SECTION 7.02. *Appointment of Paying Agents.* The Authority hereby appoints The Chase Manhattan Bank as paying agent for the purpose of paying the principal of and interest (and premium, if any) on any of the Bonds presented for payment in New York, New York. The Authority may remove any paying agent and any successor thereto, and appoint a successor or successors thereto; provided, that any such successor shall be a bank or trust company doing business and having an office in New York, New York. Any such paying agent designated by the Authority shall continue to be the paying agent of the Authority in New York, New York, until the designation of a successor as such paying agent in such city.

SECTION 7.03. *Liability of Agents.* The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the Authority, and neither the Trustee nor any paying agent assumes any responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Resolution or of the Bonds or coupons, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon them, respectively.

SECTION 7.04. *Security for Deposits.* Moneys allocated to any of the funds established pursuant to this Resolution may, and upon the Written Request of the Authority shall, be deposited by the Trustee in banks, including the Trustee, in time or demand deposits. Moneys so deposited shall be secured at all times, in the manner provided by law, by obligations authorized by law to be held as security for public deposits, of a market value at least equal to the amount required by law, but in no event less than the amount of moneys in each of said funds to be so secured.

SECTION 7.05. Notice to Agents. The Trustee and any paying agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee and any paying agent may consult with counsel, who may be of counsel to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Neither the Trustee nor any paying agent shall be bound to recognize any person as the holder of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever the Trustee or any paying agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee or paying agent, be deemed to be conclusively proved and established by a certificate of the Authority, and such certificate shall be full warrant to the Trustee or paying agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Trustee or any paying agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

ARTICLE VIII

MODIFICATION AND AMENDMENT OF THE RESOLUTION

SECTION 8.01. Amendment by Consent of Bondholders. This Resolution and the rights and any obligations of the Authority and of the holders and registered owners of the Bonds and coupons may be modified or amended at any time by a supplemental resolution which shall become binding when the written consents of the holders of 60% in aggregate principal amount of each issue of Bonds then outstanding, exclusive of Bonds disqualified as pro-

vided in Section 8.02 hereof, are filed with the Trustee. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Authority to pay the principal, or interest or redemption premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express consent of the holder or registered owner of such Bond, nor reduce the percentages of Bonds required for the written consent to an amendment or modification, nor, without its written consent thereto, modify any of the rights or obligations of the Trustee.

This Resolution and the rights and obligations of the Authority and of the holders of the Bonds and the coupons may also be modified or amended at any time by a supplemental resolution which shall become binding upon adoption, without the consent of any Bondholders, but only to the extent permitted by law and only for any one or more of the following purposes—

(a) to add to the covenants and agreements of the Authority this Resolution contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Authority; and

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Resolution, as the Authority may deem necessary or desirable and not inconsistent with this Resolution, and which shall not adversely affect the interests of the holders of the Bonds.

SECTION 8.02. Disqualified Bonds. Bonds owned or held by or for the account of the Authority, the County, Fairfield, or Suisun (but excluding Bonds held in any employees' retirement fund) shall not be deemed outstanding for the purpose of any consent or other action or any calculation of outstanding Bonds in this Article VIII provided for, and shall not be entitled to consent to, or take any other action in this Article provided for.

SECTION 8.03. Endorsement of Bonds Issued After Amendments. Bonds delivered after the effective date of any action taken

as hereinabove provided may, and if the Trustee so determines shall, bear a notation of endorsement or otherwise in form approved by the Authority and the Trustee as to such action and in that case upon demand of the holder of any Bond outstanding at such effective date and presentation of his Bond for the purpose at the office of the Trustee and at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Authority or the Trustee shall so determine, new Bonds so modified as, in the opinion of the Authority and the Trustee, to conform to such Bondholders' action shall be prepared and delivered, and upon demand of the holder of any Bond then outstanding shall be exchanged at the office of the Trustee, without cost to each Bondholder, for Bonds then outstanding, upon surrender of such Bonds with all unmatured coupons appertaining thereto.

SECTION 8.04. *Amendatory Endorsement of Bonds.* The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 9.01. *Events of Default and Acceleration of Maturities.* If one or more of the following events (herein called "events of default") shall happen, that is to say—

(a) if default shall be made in the due and punctual payment of the principal of, or premium (if any) on, any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable, and such default shall have continued for a period of thirty (30) days;

(c) if default shall be made by the Authority in the observance of any of the covenants, agreements or conditions on its

part in this Resolution or in the Bonds contained, and such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority and the Trustee by the holders of not less than twenty-five per cent (25%) in aggregate principal amount of the Bonds at the time outstanding; or

(d) if, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control;

then and in each and every such case during the continuance of such event of default, the Trustee or the holders of not less than a majority in aggregate principal amount of the Bonds at the time outstanding shall be entitled, upon notice in writing to the Authority, to declare the principal of all of the Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Resolution or in the Bonds contained to the contrary notwithstanding.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, the Authority shall pay to or shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding, by written notice to the Authority and to the Trustee, may, on behalf of the holders of all of the Bonds, rescind and annul such declaration and its consequences; but no

such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 9.02. *Suits at Law or in Equity and Mandamus.* In case one or more of the events of default shall happen, then and in every such case the holder of any Bond at the time outstanding shall be entitled to proceed to protect and enforce the rights vested in such holder by this Resolution by such appropriate judicial proceeding as such holder shall deem most effectual to protect and enforce any such right, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Resolution, or in aid of the exercise of any power granted in this Resolution, or to enforce any other legal or equitable right vested in the holders of Bonds by this Resolution or by law. The provisions of this Resolution shall constitute a contract with the holders of the Bonds, and such contract and the duties of the Authority and of the members, officers and employees thereof shall be enforceable by any Bondholder by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

SECTION 9.03. *Non-waiver.* Nothing in this Article IX or in any other provision of this Resolution, or in the Bonds or in the coupons, shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective holders of the Bonds and coupons at the respective dates of maturity, or upon call for redemption, as herein provided, out of the Revenues herein pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such holders to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and coupons. No delay or omission of the Trustee or of any holder of any of the Bonds or coupons to exercise any right or power arising upon the happening of any event of default shall impair any such right or power or shall be construed to be a waiver of any such event of default or an acquiescence therein, and every power and remedy given by this Article IX to the Trustee or to the holders of Bonds may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the holders of Bonds.

SECTION 9.04. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Trustee or to the holders of Bonds is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. *Liability of Authority Limited to Revenues.* Notwithstanding anything in this Resolution contained, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues, for the payment of the principal of or interest on the Bonds or for the maintenance and operation of the Project. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

SECTION 10.02. *Benefits of Resolution Limited to Parties.* Nothing in this Resolution, expressed or implied, is intended to give to any person other than the Authority, the Trustee, and paying agent and the holders of the Bonds and coupons, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee, any paying agent and the holders of the Bonds and coupons.

SECTION 10.03. *Successor Is Deemed Included in All References to Predecessor.* Whenever in this Resolution or any supplemental resolution either the Authority or the Trustee or any paying agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Resolution contained by or on behalf of the Authority, the Trustee or any paying agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 10.04. Discharge of Resolution. If all of the outstanding Bonds shall have matured, or notice of redemption of all of the outstanding Bonds prior to maturity shall have been given as in Article IV provided, or provision satisfactory to the Trustee shall have been irrevocably made for the giving of such notice, and if the Authority shall have deposited with the Trustee, in trust, (a) funds pursuant to this Resolution sufficient to pay and available for the payment of all amounts due on all Bonds, including all principal, interest and redemption premiums, if any, or (b) Federal Securities in such amounts as the Trustee shall determine will, together with the income or increment to accrue thereon, be fully sufficient to pay and discharge the indebtedness on all Bonds at or before their respective maturity dates, then, at the election of the Authority evidenced by a Written Request of the Authority, and notwithstanding that any Bonds or interest coupons shall not have been surrendered for payment, the pledge of the Revenues and other funds provided for in this Resolution and all other obligations of the Authority under this Resolution shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the holders of the Bonds and interest coupons not so surrendered and paid all sums due thereon. Such Written Request shall be filed with the Trustee and with each paying agent.

Any funds held by the Trustee or by any paying agent, at the time of receipt by the Trustee or any paying agent of such notice from the Authority, which are not required for the purpose above mentioned, shall, upon the written request of the Authority, be paid over to the Treasurer of the Authority for the uses and purposes of the Authority.

SECTION 10.05. Execution of Documents by Bondholders. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Bondholders may be in one or more instruments of similar tenor, and shall be executed by Bondholders in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Bondholder or his attorney of such request, declaration or other instrument, or of such writing appointing such

attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the amount of Bonds transferable by delivery held by any person executing such request, declaration or other instrument or writing as a Bondholder, and the numbers thereof, and the date of his holding such Bonds, may be proved by a certificate, which need not be acknowledged or verified, satisfactory to the Trustee, executed by a trust company, bank or other depository wherever situated, showing that at the date therein mentioned such person had on deposit with such depository the Bonds described in such certificate. Continued ownership after the date of deposit stated in such certificate may be proved by the presentation of such certificate if the certificate contains a statement by the depository that the Bonds therein referred to will not be surrendered without the surrender of the certificate to the depository, except with the consent of the Trustee. The Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the owner of any Bond shall bind all future owners of such Bond in respect of any thing done or suffered to be done by the Authority or the Trustee in good faith and in accordance therewith.

SECTION 10.06. Waiver of Personal Liability. No member of the Authority and no officer, agent or employee thereof, or of the County or Fairfield or Suisun, shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 10.07. Publication. Any publication to be made under the provisions of this Resolution may be made upon any business day of the week and, if for successive weeks, need not be made on the same day of any succeeding week or in the same newspaper for any or all of the successive publications, but may be made in different newspapers.

SECTION 10.08. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution on the part of the Authority (or of the Trustee or of any paying agent) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Resolution or of the Bonds; but the Bondholders shall retain all the rights and benefits accorded to them under the Law or any other applicable provisions of law.

SECTION 10.09. Waiver of Notice. Whenever in this Resolution the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 10.10. Destruction of Cancelled Bonds. Whenever in this Resolution provision is made for the surrender to the Authority of any Bonds or coupons which have been paid or cancelled pursuant to the provisions of this Resolution, the Authority may, by a Written Request of the Authority, direct the Trustee to destroy such Bonds or coupons and furnish to the Authority a certificate of such destruction.

SECTION 10.11. Repeal of Inconsistent Resolutions. Any resolution of the Authority, and any part of any resolution, inconsistent with this Resolution, is hereby repealed to the extent of such inconsistency.

SECTION 10.12. Article and Section Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Resolution.

Passed and adopted on August 24, 1977 by the following vote:

Ayes: 5

Noes: 0

Absent: 0

BETTY D. SILVA

*President
Solano County Library
Authority*

(Seal)

Attest:

JOSEPHINE M. BECKER

*Secretary
Solano County Library
Authority*

SECRETARY'S CERTIFICATE

I, JOSEPHINE M. BECKER, Secretary of Solano County Library Authority (the "Authority"), hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of the members of the Authority duly and regularly held at the regular meeting place thereof on August 24, 1977, of which meeting all of the members of the Authority had due notice and at which a majority thereof was present:

At said meeting said resolution was adopted by the following vote:

Ayes: 5

Noes: 0

Absent: 0

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes;

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: August 24, 1977

JOSEPHINE M. BECKER

Secretary

Solano County Library

Authority

(Seal)

79 00603 Res.no.77-2

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